

COAC Trusted Trader Subcommittee

General description

Objective/Goal of the Subcommittee:

The objective of this subcommittee is to help advise CBP on trusted trader programs (i.e., a holistic CBP Trusted Trader initiative and the expansion of Customs-Trade Partnership Against Terrorism (C-TPAT)/Authorized Economic Operator (AEO). The goal of the subcommittee is to shift focus on areas under C-TPAT review while CBP is further developing the Trusted Trader test.

Where does it fit in our Trade Transformation Strategy?

- *C-TPAT initiatives:* C-TPAT Exporter Entity
- *Trusted Trader:* Comprehensive Trusted Trader Program integrating supply chain security and trade compliance, Co-Creation Consistency & Harmonization, and Bi-Directional Education.

Chair /Co-Chair Names:

The COAC Trade Co-Chairs are Bill Ferguson, NYK Line North America and Bill Earle, National Association of Beverage Importers. The government subcommittee Co-Chairs are Cynthia Whittenburg, Executive Director, Trade Policy and Programs, Office of International Trade and Augustine Moore, Acting Executive Director, Cargo and Conveyance Security, Office of Field Operations.

Number of Participants from COAC:

Eighteen of the twenty COAC members participate on this subcommittee.

Projects under the Subcommittee

The subcommittee met on March 24, 2014, April 1, 2014, and May 5, 2014 to discuss the C-TPAT Exporter Entity including the development of the security criteria and eligibility requirements that would lay the framework for a C-TPAT Exporter Entity. The goal of this initiative is to ensure co-creation of the Eligibility Requirements, Minimum Security Criteria and proposed benefits for the C-TPAT Exporter Entity.

Update:

- The subcommittee worked primarily to finalize their review and offered recommendations on CBP's draft of the Eligibility Requirements and Minimum Security Criteria for the C-TPAT Exporter Entity internal document.

- The subcommittee provided over 125 specific and substantive comments and questions regarding the C-TPAT Exporter documents. CBP has reviewed the subcommittee's feedback and integrated many of the suggestions and recommendations to finalize the document in May 2014. The subcommittee agreed to support the C-TPAT Exporter Entity Eligibility Requirements and Minimum Security Criteria.
- The subcommittee reviewed a C-TPAT Exporter Entity Flyer that was drafted by CBP and submitted questions to be included in a Frequently Asked Questions (FAQ) document they believe would be helpful for the trade in answering any outstanding questions about the C-TPAT Exporter Entity. C-CBP has completed its internal review of the FAQ document and plans to share it with the subcommittee in the upcoming session.

Status of Workgroups under the Subcommittee

Cost Benefit Metrics Work Group:

This working group has been in hiatus since the 4th quarter of 2013. The goal of this work group is to develop metrics to determine the cost savings and efficiency realized by participating in the Trusted Trader Program. Results will be shared with industry and program partners to communicate the benefits of program participation after it is launched later this year.

Industry Accepted Standard of Compliance:

The tasks from this working group have been completed as of the August 7th meeting. The goals of the working group were to analyze and collect industry accepted trade compliance and standard that may be utilized to satisfy the trade compliance standards of the Trusted Trader program.

The subcommittee has been engaged in the efforts of the Trusted Trader Working Group and the development of the Trusted Trader Program pilot. A Federal Register Notice will be published to solicit volunteers to participate in the Summer of 2014.

Subcommittee Recommendations:

After deliberation and collaboration with CBP, the Trusted Trader Subcommittee will offer the following recommendation for a vote on May 22, 2014:

C-TPAT Exporter Entity:

The COAC understands the important pursuit of Mutual Recognition Agreements with our global partners. In order to receive facilitation benefits for US Exports, and to advance Mutual Recognition discussions under the WCO Safe Framework of Standards with our MRA partners,

US Exporters seeking facilitation benefits under MRA must satisfy security requirements for exports in a fashion similar to those expected today from our foreign partners for US Imports under C-TPAT (modified to reflect unique differences between imports and exports).

1. The COAC recommends that CBP release the Exporter Supply Chain Security Criteria and C-TPAT Exporter Eligibility Requirements through the C-TPAT web Portal.
2. The COAC recommends that the release of the C-TPAT Exporter Entity should include a comprehensive list of initial benefits and provide a forum for ongoing dialogue with the trade community to gain valuable feedback to identify additional benefits to attract more participants going forward.

CBP Response

CBP appreciates the opportunity to work with COAC, as the representatives of the trade community, in the development of the C-TPAT Exporter Entity, as required by the SAFE Port Act. Over the past eight months, COAC has provided CBP with valuable input and insightful recommendations on the C-TPAT Exporter Eligibility Requirements and Minimum Security Criteria; the majority of the comments were incorporated into the final version of these two documents. The comments and recommendations submitted by COAC have provided us with sufficient information, which enabled us to finalize these important documents.

CBP fully intends to provide a comprehensive list of benefits, which will be included in the C-TPAT Exporter Entity promotional flyer and the Frequently Asked Questions document prior to the launch of the Exporter Entity. C-TPAT members are always welcome to share feedback with C-TPAT management, their assigned Supply Chain Security Specialists, or through members of COAC. In addition, CBP conducts formal and informal surveys with its members and fully intends to solicit feedback through this effective communication mechanism.

Accomplishments:

The subcommittee has finalized review and provided consolidated comments on the CBP's pre-decisional C-TPAT Exporter Entity Minimum Security Criteria and Eligibility Requirements document. Additionally, the subcommittee has compiled a draft Frequently Asked Questions (FAQ) document that may prove to be very helpful for members of the trade in answering questions they may have regarding a potential C-TPAT Exporter Entity. CBP finalized a C-TPAT Exporter Entity flyer and the Frequently Asked Questions documents.

Next Steps

The scope of activities may include the following areas:

- CBP will advise COAC on the development of the future Trusted Trader Program pilot and Federal Register Notice.
- CBP has requested that the Trusted Trader Subcommittee propose additional C-TPAT Exporter Entity benefits for CBP to consider.
- CBP will advise on the development of trade functions in C-TPAT Portal 2.0 and subsequent releases.